

Annual Outcomes Assessment

Mercer MyChoice

Financial year ending 30 June 2025

Overall Determination

Mercer Superannuation (Australia) Limited (the **Trustee**) has determined that Mercer MyChoice (the **Product**) is **promoting the financial interests of our members**. This is based on the assessments and comparisons summarised below.

Section one – performance assessment

Fees and costs	The Mercer MyChoice total fees and costs across the financial year to 30 June 2025 ranked above median, based on a \$50,000 and \$100,000 account balance.
Investment returns	There is insufficient performance history to assess the Mercer MyChoice investment option returns over three and five year periods to 30 June 2025. For 1 year results most options are rated mid-market or better (Quartile 1 or Quartile 2).
Investment risk	The investment risk in the Choice investment options is deemed appropriate.

Section two – assessment factors

Options, benefits and facilities	The Trustee is committed to enhancing member experience and engagement, and our analysis shows we offer appropriate options, benefits and facilities for our members.
Investment strategy	The investment strategy, including the asset allocation and level of risk is appropriate for the Choice investment options.
Insurance strategy & fees	The Trustee recognises the importance of insurance. The insurance strategy is appropriate for our members, and performing as intended. Insurance fees continue to be reviewed to ensure they remain fair and competitive for members. Insurance fees are in line with claims experience for the Product.
Basis for setting fees	The basis for setting fees is suitable for our Mercer Super products.
Scale & operating costs	Operating costs are reasonable, with Mercer Super continuing to grow in 2025.

Section One: Summary of the performance assessment

This section provides the outcome of the Trustee's assessment of Fees and costs, Investment returns and Investment risk compared to peers and benchmarks.

1. Fees and costs

Determination	Assessment
Members' financial interests are promoted	The fees and costs are mid-market or better (Quartile 1 or Quartile 2) for most options. The \$50,000 and \$100,000 balance comparisons have all options ranked at Quartile 2.

Table 1 – Choice fees and costs competitor rankings for \$50,000 balance.

Fee category	Investment option	For \$50,000 balance			
		Administration fees and costs	Total fees and costs	Rank	Quartile
High Growth	Mercer High Growth	0.19%	0.99%	25 / 57	Q2
Growth	Mercer Growth	0.19%	0.96%	24 / 63	Q2
Balanced	Mercer Moderate Growth	0.19%	0.88%	18 / 53	Q2
Conservative	N/A	N/A	N/A	N/A	N/A

Table 2 – Choice fees and costs competitor rankings for \$100,000 balance.

Fee category	Investment option	For \$100,000 balance			
		Administration fees and costs	Total fees and costs	Rank	Quartile
High Growth	Mercer High Growth	0.16%	0.96%	27 / 57	Q2
Growth	Mercer Growth	0.16%	0.93%	25 / 63	Q2
Balanced	Mercer Moderate Growth	0.16%	0.85%	28 / 62	Q2
Conservative	N/A	N/A	N/A	N/A	N/A

The Trustee remains committed to delivering products and investment options that promote member outcomes and foster growth to enable the benefits of scale to be passed onto members by way of competitive administration fees.

2. Investment returns

Determination	Assessment
Members' financial interests are promoted	There is insufficient performance history to assess the Mercer MyChoice investment option returns over three and five year periods to 30 June 2025. Most options are rated mid-market or better (Quartile 1 or Quartile 2) over the different periods. For 1-year results, five of the six rated options are ranked Quartile 1 or Quartile 2.

APRA introduced the Annual Performance Assessment (**APA**) for Trustee-Directed Products from 1 July 2023 onwards. The test assesses the investment performance of a product over a ten-year time horizon. All Mercer Super Trust (**MST**) Choice options surveyed within the 2024-2025 APA, **passed** the APA.

Investment returns are influenced by the asset class or level of risk associated with each Choice investment option. As Mercer MyChoice has an inception date of September 2023 there is insufficient performance history to complete an assessment for the 3-year and 5-year periods to 30 June 2025.

Table 3 – Choice investment return rankings against comparable investment options¹.

Investment option		1 Year		3 Years		5 Years	
	Peer group	Rank	Quartile	Rank	Quartile	Rank	Quartile
Mercer High Growth	Growth	54 / 134	Q2	N/A	N/A	N/A	N/A
Mercer Cash	Cash	51 / 59	Q4	N/A	N/A	N/A	N/A
Mercer Growth	Balanced	73 / 167	Q2	N/A	N/A	N/A	N/A
Mercer Moderate Growth	Conservative Balanced	27 / 95	Q2	N/A	N/A	N/A	N/A
Mercer Passive Australian Shares	Australian Shares	22 / 67	Q2	N/A	N/A	N/A	N/A
Mercer Passive International Shares	International Shares	14 / 65	Q1	N/A	N/A	N/A	N/A

3. Investment risk

Determination	Assessment
Members' financial interests are promoted	The Trustee ensures it has a range of options available for members to choose from, with different risk characteristics and investment objectives. During the last review in 2025 the Trustee confirmed it was comfortable with the level of investment risk in each Choice investment option.

The Trustee performs an annual review of each Choice investment option to understand the level of investment risk inherent in each option and whether that would be in line with the expectations of the members who are invested in that option. During the last review in 2025 the Trustee confirmed that it was comfortable with the level of investment risk in each Choice investment option.

¹ The options surveyed include the four largest options by number of members and three tailored investment options. The rankings are sourced from the SuperRatings FCRS Survey as at 30 June 2025.

Section Two: Summary of the assessment factors

The Trustee's assessment of the Product as at 30 June 2025 is based on the following factors specified by the legislation.

Factor	Determination
Options, benefits and facilities	Members' financial interests are promoted The options, benefits and facilities are appropriate for Mercer MyChoice members having regard to the financial interests of beneficiaries in this product. The MST offers members access to options, benefits, and facilities that Management considers appropriate to meet the needs of the broad target market and member demographics. These include: • A diverse investment menu, • Comprehensive and flexible insurance arrangements, • Member experiences and employer servicing that is highly regarded by industry peers with intuitive and proactive digitally enabled services and interactions, • A comprehensive super, retirement and financial wellness education offering, • A pathway for members in the accumulation phase to seamlessly transition to retirement phase products. The Trustee is focused on improving member experience and engagement, including advancements in Digital Experience, Service Transformation and Product Simplification, as well as enhancing the advice offering that supports our members' journey into and in retirement.
Investment strategy	Members' financial interests are promoted The last annual investment strategy review was completed in August 2025. This review assessed the appropriateness of investment objectives and strategies for the Mercer Choice investment options given a forward-looking return environment, incorporation of Net Zero considerations in portfolio construction and Investment Governance regulatory requirements. The review identified that the investment strategy for the MST Choice options remains appropriate. Key outcomes for Mercer MyChoice were that Strategic Asset Allocation modelling outcomes are within acceptable ranges, and that an allocation be made to the Private Equity asset class for the Mercer Ready-made options.
Insurance strategy	Members' financial interests are promoted The most recent triennial review of the Insurance Management Framework (IMF) conducted in November 2023 determined that the IMF and insurance strategy are operating effectively in members' best financial interests. In addition, an annual review was completed in September 2024. The Trustee's insurance strategy underpins a strong insurance offer, making a range of insurance benefits available to members. The insurance offer reflects the differing needs of members. For insured members, there is a continuing focus to enhance member services and improve claims admittance rates and claims durations. This includes uplift

Factor	Determination
	to the digital claims and digital underwriting capabilities. In the Chant West Super Funding Ratings, the MST insurance offerings are considered to be 5 out of 5 (Highest Quality Funds) in 2025.
Insurance fees	Members' financial interests are mostly promoted Ensuring that insurance fees charged in relation to a product are affordable and do not inappropriately erode the retirement income of beneficiaries is a key objective of the Trustee's insurance strategy. The approach applied by the Trustee to meet this objective is that the cost of default cover provided to members on an automatic basis should not generally exceed 1% of a member's estimated salary. For Mercer MyChoice members the cost of insurance provided to members on an automatic basis does not generally exceed 1% of an estimated salary. To help mitigate potential risks of this affordability threshold being exceeded, the Trustee regularly encourages members through various communications to ensure that the types and amounts of cover they hold are appropriate and affordable for their circumstances. Members are encouraged to seek financial advice if they are unsure as to what insurance coverage is needed to meet their needs. On balance, insurance fees for members are broadly aligned with the financial interests and needs of beneficiaries. Management continues to work with insurers to ensure that member outcomes are prioritised, with particular focus on ensuring affordability of premiums and the impact of these on members' retirement balances. Insurance fees for Mercer MyChoice range from Quartile 1 to Quartile 4 for all cover types and collar ratings.
Scale	Members' financial interests are promoted Mercer MyChoice options have sufficient scale to be sustainable. MST and the Product scale has grown over the year, with the number of member accounts across MST increasing by approximately 22,000 and an increase in Funds Under Management of \$8.5 billion. The Trustee remains committed to offering and managing products and investment options that enhance member outcomes and foster growth, allowing the advantages of scale to be shared with members.
Operating costs	Members' financial interests are promoted The Trustee incurs operating costs in ensuring the efficient and effective operation of the MST, including Mercer MyChoice. Both current and projected operating costs per member are reasonable with the net operating income per account remaining stable and sustainable.
Basis for setting fees	Members' financial interests are promoted The Trustee recognises that the manner in which fees are charged to MST members is a material consideration in assessing the promotion of members' financial interests. Analysis of the fund's fee structure and levels show they are appropriate, given the allocation of costs between products, options, and members. The Trustee annually assesses the appropriateness of the fees charged to Mercer MyChoice beneficiaries. The basis for setting fees continues to be suitable for the Product, recognising that the Trustee has a Fees and Costs Policy.

Issued by Mercer Superannuation (Australia) Limited ABN 79 004 717 533, Australian Financial Services Licence 235906, the trustee of the Mercer Super Trust ABN 19 905 422 981 ('Mercer Super').

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Past performance is not a reliable indicator of future performance. The value of an investment in Mercer Super may rise and fall from time to time. The investment performance, earnings or return of capital invested are not guaranteed.

Ratings are likely to change and are only one factor to be taken into account when deciding to invest in a product.

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